
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 11.20.2009

Wall Street Journal: "House Attacks Fed, Treasury ... Political frustration over the rescue of Wall Street and high unemployment erupted in the House Thursday, with one committee threatening to impose tighter scrutiny on the Federal Reserve and another trading verbal insults with Treasury Secretary Timothy Geithner."

Wall Street Journal: "Black Caucus Stalls Finance Overhaul ... In one of the clearest examples of how the weak economy is overtaking Obama administration priorities, the Congressional Black Caucus forced the House to shelve its revamp of financial-sector regulation for two weeks."

Wall Street Journal: "Fear of Double Dip in Housing ... The U.S. housing market is sputtering again, adding to doubts about the vigor of the economic recovery."

Wall Street Journal: "Greenspan, Volcker Opposed Ron Paul Audit Provision ... Former Federal Reserve chairman Alan Greenspan and Paul Volcker wrote the House Financial Services Committee early this month that they opposed a provision, backed by Rep. Ron Paul (R., Texas) that would expand the congressional Government Accountability Office's audits of the Fed. The committee, ignoring the pleas from the two, endorsed the provision Thursday."

Wall Street Journal: "Q&A: Oregon Democrat DeFazio Calls for Geithner's Resignation ... Rep. Peter DeFazio (D., Ore.) created a stir in Washington when he said on MSNBC Wednesday evening that Treasury Secretary Timothy Geithner should resign. Here are excerpts from his interview Thursday with the Wall Street Journal. To be sure, Rep. DeFazio doesn't speak for all Democrats. He is considered one of the more liberal lawmakers and often breaks with other members of his party."

Wall Street Journal: "Why No One Expects a Strong Recovery ... One of the strongest factors promoting recovery from our 10 post-World War II recessions was an unshakable conviction that, regardless of the immediate trouble, the American economy is fundamentally strong."

Wall Street Journal: "AIG and Systemic Risk ... TARP Inspector General Neil Barofsky keeps committing flagrant acts of political transparency, which if nothing else ought to inform the debate going forward over financial reform. In his latest bombshell, the IG discloses that the New York Federal Reserve did not believe that AIG's credit-default swap (CDS) counterparties posed a systemic financial risk."

Washington Post: "Angry Congress lashes out at Obama ... Growing discontent over the economy and frustration with efforts to speed its recovery boiled over Thursday on Capitol Hill in a wave of criticism and outright anger directed at the Obama administration."

Washington Post: "Problem mortgages hit new high at 14 percent ... More than 14 percent of borrowers were in trouble on their mortgage during the third quarter, a new record, according to an industry survey released Thursday, which also suggests that the foreclosure rate is likely not to peak until next year as unemployment rates continue to rise."

Washington Post: "Limits on merchant fees could cost credit card users, GAO says ... U.S. consumers may not save money and could wind up paying higher credit card costs if lawmakers force payment networks including Visa and MasterCard to cut fees charged to merchants, a government watchdog said."

Washington Post: "Bailout program could be extended ... The Obama administration is poised to extend the life of the highly unpopular \$700 billion financial bailout and, to display a commitment to fiscal responsibility, is planning to use much of the leftover funds to reduce the national debt, government sources said."

Washington Post: "Threatening the Fed's independence ... The Federal Reserve's performance in this long-running financial and economic crisis deserves separate grades. For the early crisis period, from the summer of 2007 until a few weeks after the Lehman Brothers failure in mid-September 2008, the Fed's response was uneven."

NY Times: "With F.H.A. Help, Easy Loans in Expensive Areas ... In January, Mike Rowland was so broke that he had to raid his retirement savings to move here from Boston."

NY Times: "U.S. Mortgage Delinquencies Reach a Record High ... The economy and the stock market may be recovering from their swoon, but more homeowners than ever are having trouble making their monthly mortgage payments, according to figures released Thursday."

NY Times: "Panel Votes to Broaden Oversight of the Fed ... In a display of populist anger toward the Federal Reserve, a House panel voted on Thursday to let Congress carry out sweeping new oversights of the central bank's policy decisions and operations."

NY Times: "Geithner Hopes to End Bailout Fund ... Treasury Secretary Timothy F. Geithner said on Thursday that the government would end its \$700 billion bailout program "as soon as we can," and that part of it would be used to lower the federal debt."

NY Times: "What Geithner Got Right ... It's amazing to go back and read what people were saying about Timothy Geithner in the spring. Many people said he looked terrified as the Treasury secretary, like Bambi in the headlights."

NY Times: "The Big Squander ... Earlier this week, the inspector general for the Troubled Asset Relief Program, a k a, the bank bailout fund, released his report on the 2008 rescue of the American International Group, the insurer."

NY Times: "A Gift to Credit Card Companies ... Congress left consumers extremely vulnerable when it gave the credit card industry as long as 15 months to end the deceptive predatory practices outlawed in the spring in the Credit Card Accountability, Responsibility and Disclosure Act."

LA Times: "Foreclosures will keep rising through 2010, report says ... Home foreclosures are likely to keep climbing through all of next year despite stabilizing housing prices in some areas, a major lender group said Thursday as it reported that the level of delinquencies and repossessed homes had jumped to a record."

LA Times: "House panel backs audits of Federal Reserve ... A House committee voted overwhelmingly Thursday in favor of a measure opposed by the Obama administration that would subject the Federal Reserve to unprecedented scrutiny."

USA Today: "Want lower credit card interest? Keep spending, Citi says ... For Citibank credit card holders, there is one way to escape the bank's rate hikes currently underway: Meet a monthly spending requirement."

USA Today: "Treasury to auction off warrants for 3 banks it got in bailout ... In another sign that the government's emergency financial programs are being reeled in, the Treasury Department said Thursday it will auction off warrants for three banks that it acquired as part of last fall's bailouts."

Washington Times: "Senate GOP blasts financial reform proposal ... Senate Banking, Housing and Urban Affairs Committee Chairman Christopher J. Dodd's proposed overhaul of the financial sector's regulatory system is likely to get little or no bipartisan support, as several Republicans on Thursday blasted the plan as a gateway to more Wall Street bailouts."

Reuters: "Geithner: Small businesses' tight credit hurts recovery ... U.S. Treasury Secretary Timothy Geithner on Wednesday said tight credit for small business would hinder the economic recovery and called on banks to boost lending to smaller firms."

Barron's: "Treasury Yield Plunge Sends Warning ... IT'S THE CRASH YOU DIDN'T HEAR. Not in the price of any security market, but in short-term U.S. Treasury yields."

Real Clear Markets: "The Fed Couldn't Hike Even If It Wanted To ... A growing contingent of financial professionals and members of the media have called for the Federal Reserve to withdraw the liquidity it has injected into capital markets to prevent inflation and asset bubbles."

The Beast: "Geithner's Stock Plummeting ... Tim Geithner hotly defended his job Thursday in front of angry Republican congressmen who asked him to step down."

The Nation: "Why Not Tax Wall Street? ... Washington is experiencing a rare and disorienting moment. Big ideas for financial reform that have languished for years are suddenly gaining momentum."

Bloomberg: "JPMorgan May Hear Break-Up Talk in Health Debate: David Reilly ... Investors are wondering just how far Congress will go toward breaking up big banks. The answer may depend on the outcome of the health-care debate."